

## Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 03255 290938Z

17

ACTION EB-07

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

FEA-01 OIC-02 AF-08 ARA-06 NEA-10 /139 W

----- 061899

R 290910Z APR 76

FM USMISSION GENEVA

TO SECSTATE WASHDC 9607

INFO AMEMBASSY BERN

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY OTTAWA

ALL EC CAPS 37

LIMITED OFFICIAL USE GENEVA 3255

E.O. 11652: N/A

TAGS: GATT, ETRD

SUBJ: GATT COUNCIL DISCUSSION OF EXPORT INFLATION INSURANCE

REF: (A) STATE 98683, (B) STATE 84067

1. AT APRIL 27 GATT COUNCIL, U.S. MADE STATEMENT ALONG LINES  
OF REFTEL (B) REMINDING OF OUR PREVIOUSLY STATED CONCERN  
OVER EXPORT INFLATION INSURANCE SCHEMES, DANGERS OF PROLIFERA-  
TION OF THIS MECHANISM, BELIEF THAT SUCH SCHEMES VIOLATE  
ARTICLE XVI OF GATT, AND NEED FOR NOTIFICATION OF ALL SUCH  
SCHEMES. WE WENT ON TO PROPOSE THAT GATT ESTABLISH WORKING  
PARTY WITH TERMS OF REF CITED IN GENEVA 3080 (NOTAL).

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 03255 290938Z

2. JAPAN SUPPORTED ESTABLISHMENT OF WORKING PARTY BUT SAID IT IMPORTANT AT THIS JUNCTURE KEEP FROM ENGAGING IN DISCUSSIONS WHICH WOULD PRE-JUDGE MTN DISCUSSIONS ON SUBSIDIES AND ADDED THAT IT WAS JAPAN'S UNDERSTANDING THAT ALTHOUGH THE PROPOSED U.S. TERMS OF REFERENCE CONTAIN REFERENCE TO "THEIR IMPACT ON INTERNATIONAL TRADE," IT WOULD NOT BE THE INTENTION OF THE WP TO DISCUSS SUBSIDY PROBLEMS FROM THE VIEWPOINT OF THE TRADE DISTORTING EFFECTS OF SUBSIDIES.

3. SWEDEN SAID THEY SHARE CONCERNS ABOUT EXPORT INFLATION INSURANCE, RESULTING DISTORTIONS, NEED TO AVOID PROLIFERATION OF THIS DEVICE AND DESIRABILITY OF DISMANTLING EXISTING SCHEMES. SWEDEN, THEREFORE, WOULD SUPPORT WP AND WOULD ACTIVELY PARTICIPATE IN IT. CANADA SAID EXPORT INFLATION INSURANCE SCHEMES ILLEGAL UNDER ARTICLE XVI, ARE SELF-DEFEATING AND THEREFORE SUPPORTED WP FORMATION AND AGREED TO PARTICIPATE IN WP. NORWAY ADDED THEY TOO WORRIED ABOUT EFFECTS.. PROLIFERATION, RESULTING VICIOUS CIRCLE, AND SAID THEY WOULD SUPPORT FORMATION OF WP AND TAKE PART IN ITS WORK.

4. SWITZERLAND SAID THEY DID NOT KNOW MUCH ABOUT THIS FIELD, FELT IT NECESSARY ENGAGE IN FACT FINDING, SAID THEY UNABLE MAKE JUDGMENTS ABOUT GATT CONSISTENCY OF SCHEMES BUT FELT SCHEMES COULD ENCOURAGE INFLATION WHICH SWITZERLAND DOES NOT LIKE. THEY SAID WP IS INTERESTING IDEA BUT IT IMPORTANT CAREFULLY EXAMINE TERMS OF REFERENCE BEFORE DECIDING WHETHER ESTABLISH WP.

5. EC SAID SWISS STATEMENT INDICATES NEED FOR REFLECTION ON U.S. WP PROPOSAL, SAID EC COULD NOT REACT FOR MOMENT BUT ONLY NOTE PROPOSAL, WHICH SHOULD BE STUDIED CAREFULLY. EC SAID CONTEXT OF EXAMINATION, TERMS OF REFERENCE, AND ESPECIALLY FRAMEWORK IN WHICH DISCUSSIONS TAKE PLACE, AS WELL AS MAKEUP OF ANY WP -- I.E., WHETHER THERE ARE GOVERNMENT REPRESENTATIVES ON WP -- DESERVE CAREFUL CONSIDERATION.

6. U.S. THEN RESPONDED ALONG LINES OF REFTTEL (A) TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 03255 290938Z

EFFECT THAT WE DID NOT WANT TO SEE WP FORMATION DELAYED BUT COULD UNDERSTAND NEED FOR EC REFLECTION AND COULD AGREE TO REVERSION TO ISSUE AT VERY NEXT REPEAT NEXT COUNCIL MEETING. DALE

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, MEETINGS, EXPORT INSURANCE, ANTIINFLATIONARY PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 APR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ellisoob  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976GENEVA03255  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760164-0356  
**From:** GENEVA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t1976048/aaaaaglv.tel  
**Line Count:** 111  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 98683, 76 STATE 84067  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ellisoob  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12 APR 2004 by BoyleJA>; APPROVED <17 AUG 2004 by ellisoob>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GATT COUNCIL DISCUSSION OF EXPORT INFLATION INSURANCE  
**TAGS:** ETRD, GATT  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006